

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
(Greenbelt Division)**

In re:

*

**PG&E NATIONAL ENERGY
GROUP, INC., *et al.***

* Case No.: 03-30459 (PM) and 03-30461 (PM)
through 03-30464 (PM)

* Chapter 11

Debtors.

(Jointly Administered under

* Case No.: 03-30459 (PM))

* * * * *

**NOTICE OF HEARING ON CERTAIN
FIRST DAY MOTIONS OF THE DEBTORS**

I. The Motions:

PLEASE TAKE NOTICE that in connection with the Debtors'¹ chapter 11 cases, the following pleadings were filed on July 8, 2003 (collectively, the "Motions"):

1. Debtors' Application for Authority to Employ Whiteford, Taylor & Preston L.L.P. as Attorneys for the Debtors and Debtors in Possession;
2. Debtors' Application to Employ and Retain Willkie Farr & Gallagher as Attorneys for the Debtors and Debtors in Possession;
3. Application of the Debtors Pursuant to Section 327(e) and 328(a) of the Bankruptcy Code for Authorization to Employ Winston & Strawn as Special Regulatory Counsel for the Debtors;
4. Application of the Debtors Pursuant to Section 327(e) and 328(a) of the Bankruptcy Code for Authorization to Employ Sutherland Asbill & Brennan LLP as Energy Counsel for the Debtors;
5. Application of the Debtors Pursuant to Section 327(e) and 328(a) of the Bankruptcy Code for Authorization to Employ Clifford Chance LLP as Special Regulatory Counsel for the Debtors;

¹ The Debtors are PG&E National Energy Group, Inc. ("NEG"), PG&E Energy Trading Holdings Corporation ("ET Holdings"), PG&E Energy Trading - Gas Corporation ("ET Gas"), PG&E ET Investments Corporation ("ET Inv."), and PG&E Energy Trading - Power, L.P. ("ET Power," together with ET Holdings, ET Gas and ET Inv., the "ET Debtors").

6. Application of the Debtors Pursuant to Section 327(e) and 328(a) of the Bankruptcy Code for Authorization to Employ Patton Boggs LLP as Special Employment Counsel for the Debtors;
7. Application for Order Authorizing Debtors to Retain Deloitte & Touche LLP as Independent Auditors, Accountants and Tax Advisors Effective as of the Petition Date;
8. Application for Order Authorizing Debtors to Retain Charles River Associates as Litigation Consultants;
9. Debtors' Motion for (A) Interim Order Authorizing Debtors to Appoint Certain Officers Pursuant to a Certain Engagement Agreement and (B) Final Order Authorizing Debtors to Enter Into an Agreement with Alvarez & Marsal, Inc. to Provide for the Placement of Certain Restructuring Managers Pursuant to Section 363, or Alternatively Section 327, of the Bankruptcy Code Nunc Pro Tunc to the Petition Date (*Hearing with respect to final approval*);
10. Application for Order Under 11 U.S.C. §§ 327(a) and 328(a) and Fed. R. Bankr. P. 2014(a) and 2016 Authorizing Employment and Retention of Lazard Freres & Co. LLC as Financial Advisor and Investment Banker for the Debtors in Possession, Nunc Pro Tunc to the Petition Date;
11. Debtors' Motion for Order Authorizing Debtors to Employ and Compensate Professionals for Specific Services Rendered in the Ordinary Course of Business *Nunc Pro Tunc* to Petition Date;
12. Debtors' Motion for an Administrative Order Pursuant to 11 U.S.C. §§ 105, 328 and 331 Establishing Procedures for Interim Compensation and Reimbursement of Chapter 11 Professionals;
13. Debtors' Motion for Order to Enforce the Automatic Stay and Establish Notification and Hearing Procedures for Transfers of Claims Against the Debtor and Its Subsidiaries (*Hearing with respect to final approval*);
14. Debtors' Motion Pursuant to Section 365(a) for Order Rejecting Certain Letter Agreements; and
15. Debtors' Motion for Order Pursuant to Section 365(a) of the Bankruptcy Code Authorizing and Approving the Rejection of Certain Tolling Agreements.

The Motions are available for review at the offices of the Clerk, United States Bankruptcy Court for the District of Maryland, U.S. Courthouse, 6500 Cherrywood Lane, Suite 300, Greenbelt, Maryland 20770.

II. The Hearing:

A HEARING WILL BE CONDUCTED ON THE MOTIONS ON AUGUST 5, 2003 AT 2:00 P.M. IN COURTROOM 3D OF THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF MARYLAND, 6500 CHERRYWOOD LANE, GREENBELT, MARYLAND 20770.

III. Responses or Objections:

IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING, SPECIFICALLY STATING YOUR OBJECTION AND ALL FACTS AND LAW YOU BELIEVE SUPPORT YOUR OBJECTION. YOU MUST FILE YOUR RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT ON OR BEFORE JULY 29, 2003, SAID DATE BEING TWENTY DAYS (20) FROM THE DATE THE MOTIONS WERE SERVED, AS INDICATED ON THE CERTIFICATE OF SERVICE AT THE END OF THE MOTIONS. IN ADDITION TO FILING YOUR RESPONSE WITH THE CLERK, YOU MUST SERVE A COPY OF YOUR RESPONSE ON THE PERSON WHO SENT YOU THIS PLEADING AND TO THE PARTIES ON THE SERVICE LIST.

IV. Disposition Without Hearing:

ABSENT A TIMELY OBJECTION TO THE MOTIONS, THE COURT MAY TREAT THE RESPECTIVE MOTIONS AS UNOPPOSED AND GRANT THE RELIEF REQUESTED WITH OR WITHOUT A HEARING.

V. Additional Information:

Parties in interest desiring additional information with respect to the Motions may contact J. Daniel Vorsteg by e-mail at jvorsteg@wtplaw.com or by telecopy at (410) 625-7510.

Dated: July 22, 2002

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-and-

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Co-Counsel for Debtors and
Debtors in Possession

CERTIFICATE OF SERVICE

I certify that on July 22, 2003, a copy of this Notice was sent by first class mail,
postage prepaid to the parties on the attached Service List.

/s/ J. Daniel Vorsteg
J. Daniel Vorsteg

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